

2022 Summer Preparedness

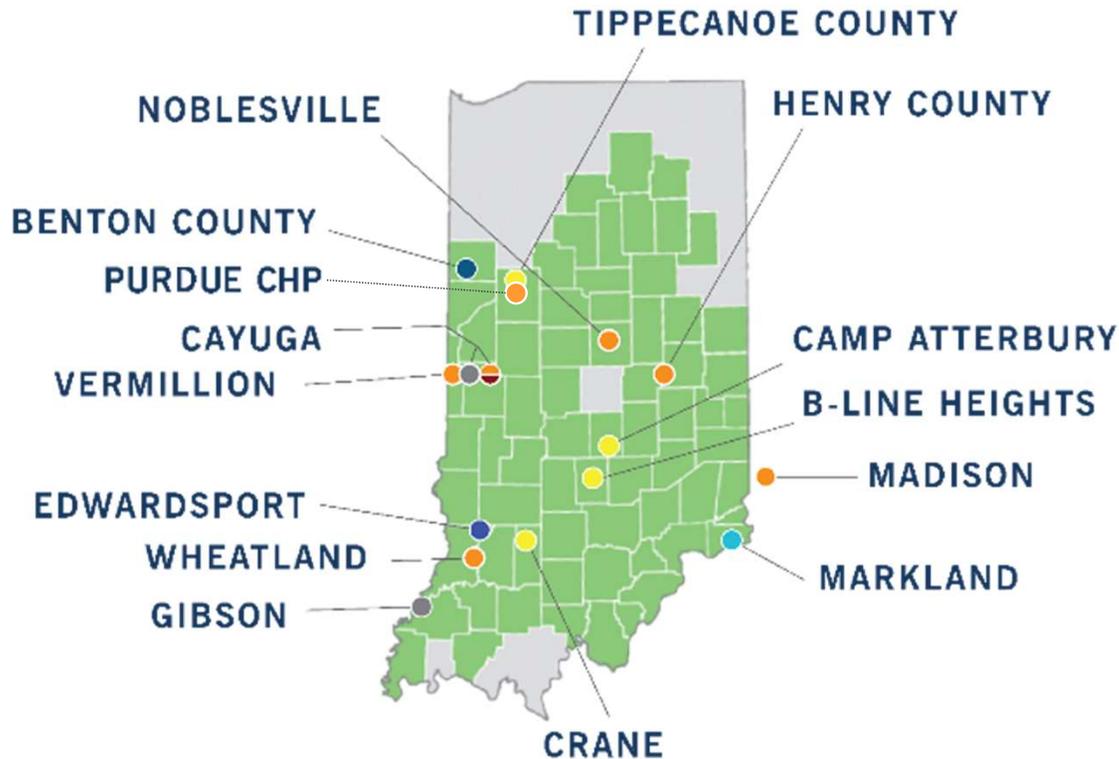


Stan Pinegar, President Duke Energy Indiana
April 5, 2022

Safe Harbor Statement

- This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: The impact of the COVID-19 pandemic; State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations, asset retirement and construction costs related to carbon emissions reductions, and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; Costs and effects of legal and administrative proceedings, settlements, investigations and claims; Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts, natural gas building and appliance electrification, and use of alternative energy sources, such as self-generation and distributed generation technologies; Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, excess generation resources as well as stranded costs; Advancements in technology; Additional competition in electric markets and continued industry consolidation; The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; Changing customer expectations and demands including heightened emphasis on environmental, social and governance concerns; The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; Operational interruptions to our transmission activities; The availability of adequate interstate pipeline transportation capacity and natural gas supply; The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions, an individual utility's generation mix, and general market and economic conditions; Credit ratings may be different from what is expected; Construction and development risks associated with the completion of capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; The ability to control operation and maintenance costs; The level of creditworthiness of counterparties to transactions; The ability to obtain adequate insurance at acceptable costs; Employee workforce factors, including the potential inability to attract and retain key personnel; The performance of projects and the success of efforts to invest in and develop new opportunities; Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana or that the sale may not yield the anticipated benefits; The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings.
- Additional risks and uncertainties are identified and discussed in the company's reports filed with the SEC and available at the SEC's website at sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the company expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Duke Energy Indiana at a Glance



**Plant Locations
Generation Type**

- Coal
- Syngas/Gas
- Gas CC/CT
- Oil CT
- Hydro
- Wind PPA
- Solar

Largest electric utility in Indiana

23,000 square-mile service area,
covering 69 of 92 counties

870,000 customers

36,800 miles of transmission and
distribution lines

6,300 megawatts at 12 large power
generation sites

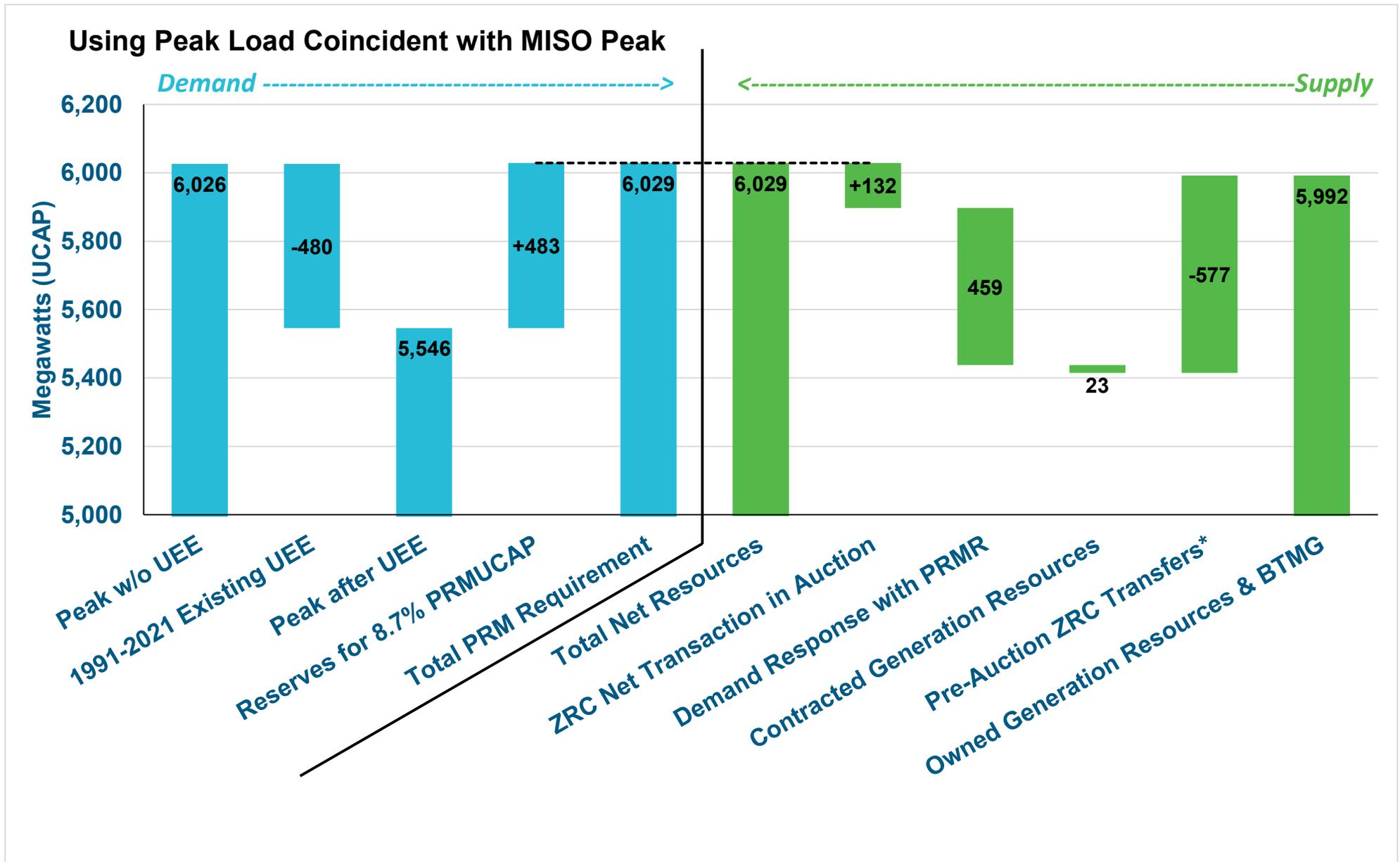
2,500 Duke Energy Employees in
Indiana

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CUSTOMERS



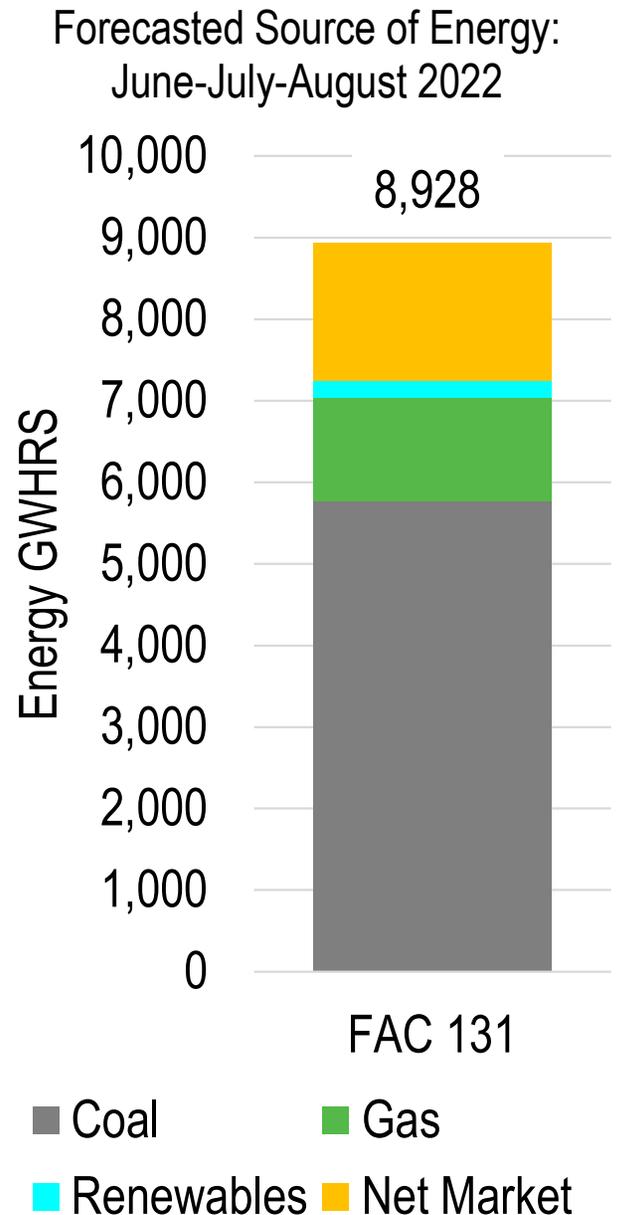
Preparation for Summer 2022: Capacity Supply–Demand Balance



*WVPA and IMPA ownership share of Gibson 5; WVPA ownership share of Vermillion CT; WVPA contract share of Henry County CT; 60MW STBNS
 Note: ZRC Net Transactions: (+) Purchase, (-) Sale

Preparation for Summer 2022: Energy Supply Forecast

- Diversified mix of energy resources expected to serve customers
- Utilize economic dispatch of generating units
- Utilize economic MISO energy market purchases
- Peaking generation fleet acts as a price hedge, and can increase operation in extreme demand conditions
- Renewable purchased power agreements
 - Benton County Wind
 - Five solar facilities
- Secured 2022 energy hedges
 - Both on-peak and off-peak power hedges for June
 - Natural gas volume hedges for June thru September
 - Additional hedging opportunities may be executed if economically identified



Looking to the Future: MISO Market Changes

- MISO Seasonal Accredited Capacity (SAC)
 - Transitioning from UCAP to SAC in plan year 2023-2024
 - Accreditation changes
 - Four-Season program
 - Seasonal PRM applies to peak loads*
 - Winter may become the highest load obligation for DEI
 - Thermal ICAP generally highest in winter, lowest in summer
 - Renewables contribution to peak varies by resource type, by season
 - Less Demand Response opportunity in winter
 - “31-Day Rule” and planned outage exemptions
 - Overall, we perceive an increased emphasis on having dispatchable resources to balance intermittent resources, especially in the winter season
- FERC Order 2222
 - Duke Energy is actively engaged in MISO’s Distributed Energy Resource Task Force
 - Assessing the potential impacts on workforce, processes, systems, customers, and State regulatory



*<https://cdn.misoenergy.org/20211201%20RASC%20Supplemental%20Q%20and%20A%20Document613071.pdf>

2022 Summer Preparedness

OPERATIONS



Preparation for Summer 2022: Generation

- Purdue University CHP commercial operation 3/11/22
- About 55 weeks of base load unit outages and over 50 combustion turbine outages performed Fall 21 to Spring 22
- Execution of capital maintenance plan
- All planned outages except one scheduled to be complete by May 20; one longer major outage terminates mid-June
- All MISO capacity resource units available this summer
- Managing environmental risks
 - Ozone Season NOx emission compliance
 - 5 Gibson/Cayuga SCR catalyst bed replacements
 - Illiquid NOx allowance market with high prices
 - Cayuga river temperature IDEM protocols



Purdue University Combined Heat and Power Unit



Gibson Unit 4 Boiler Platen

Coal And Transportation Constraints & Mitigation

Constraints

Current coal supply disruptions due to lack of labor availability negatively impacting transportation and supply response

Lack of coal market liquidity: continued demand for coal due to high natural gas prices coupled with overall declining inventory levels, strong export market and record high prices for coal overseas

Mitigation

Supply procured to 100% of projected need for 2022 and 2023 increasing supplier diversity and alternative transportation routes

Company remains in constant communication with supply and transportation providers

Continuing to deploy transportation alternatives to alleviate railroad transportation constraints

DEI continues to adjust its MISO offer price at Gibson and Cayuga Stations to reflect the economics of the constrained coal situation subject to power prices and actual coal deliveries

Preparation for Summer 2022: Vegetation Management

Transmission

- Continued implementation of Integrated Vegetation Management (“IVM”) strategy
- Prioritizes “grow-in” and “fall-in” threats
- EAB program: 13k trees removed
- 2021: Completed planned work on 586 transmission line miles

<i>T Vegetation Caused Outages</i>	Grid Level, All Lines
2019/ 2020/ 2021, w/o MED	48/ 41/ 35
2019/ 2020/ 2021, MED	19/ 38/ 7



→2021 Total T&D expenditure of ~\$90M

Distribution

- Systematic process identifies and mitigates hazard trees inside and outside of the maintained right-of-way
- 80k+ hazard trees removed since 2019
- 2021: Pruned 1/5 of distribution line miles

<i>D Vegetation Caused Outages</i>	Retail Level, All Lines
2019/ 2020/ 2021, w/o MED	4,952/ 4,030/ 4,592
2019/ 2020/ 2021, MED	1,745/ 1,888/ 1,118



Note: Natural annual variation in the occurrence and severity of outages results in natural annual volatility of metrics

Preparation for Summer 2022: Transmission & Distribution Systems

- TDSIC 1.0 7-year plan nearing completion: 2016-2022
 - \$1.4B invested over the 7-year period
 - Over 1,700 miles of line replaced or rebuilt
 - Over 30,000 poles repaired or replaced
 - Over 40,000 transformers and switchgears improved
 - Over 400 substation structures replaced
 - Over 14,000 improvements to reclosures, relays, switches, and capacitor banks
 - Added capabilities for DA, SOG, and IVVC
- Smart meters enabling faster outage identification
- Infrastructure improvements for system growth and/or reliability continue outside of TDSIC
- 10-Year reduction in SAIFI; SAIDI: 26%; 15%
- 2021 Self-Healing Teams performance



Old Electromechanical Relays



New Digital Relays



Old Oil Circuit Breaker



New Gas Circuit Breaker



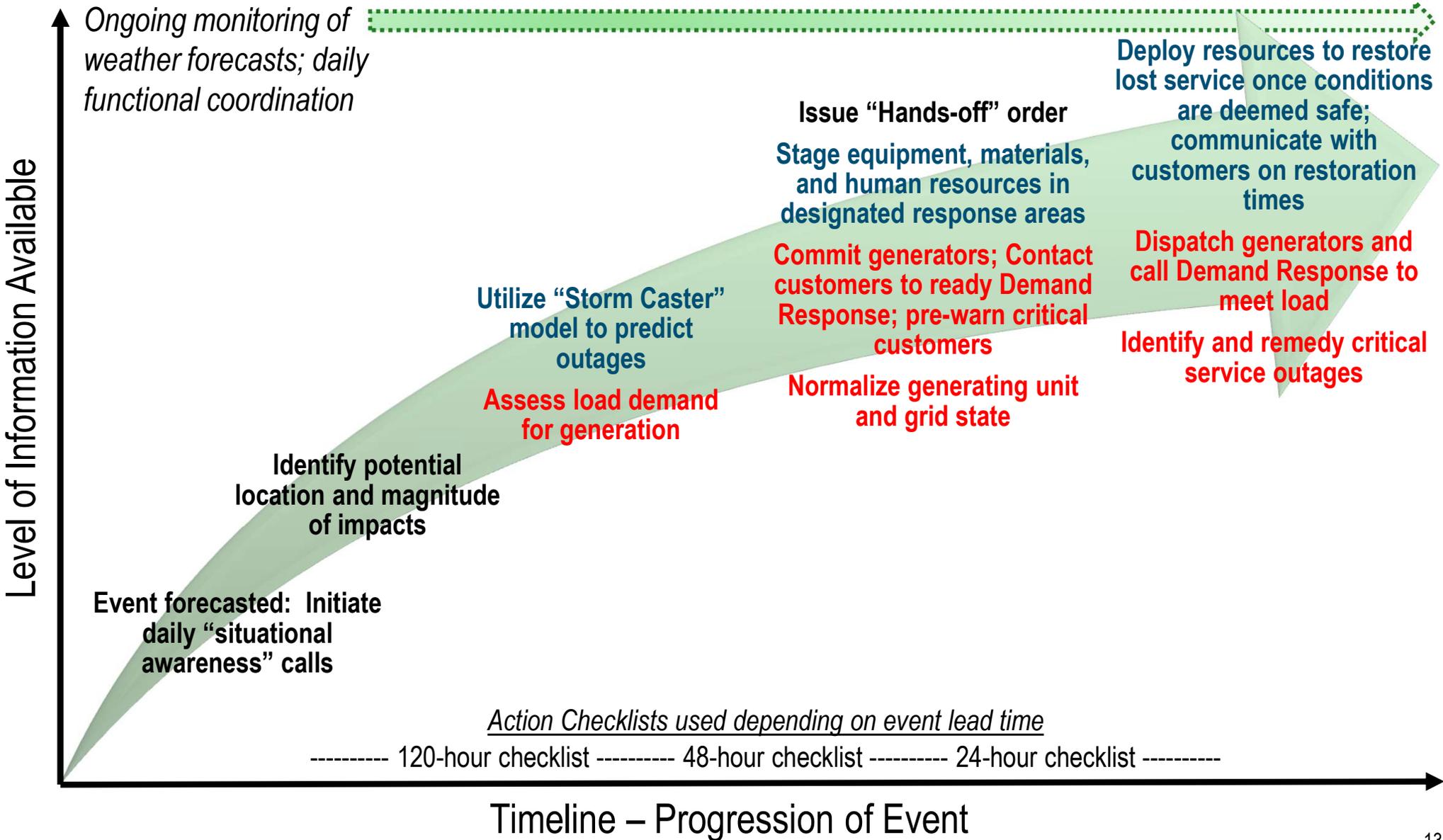
Nabb Substation Battery

	CI Saved	Minutes Saved
w/o MED	31,500	2,800,000
w/ MED	42,300	4,770,000

System Readiness: Event Identification and Response

Major Storm Event
T&D outage restoration focus

Extreme Heat Event
Generation/Demand Response/Operations focus



Duke Energy Indiana is Prepared to Serve Customers Reliably





Appendix

Supporting Customers and Creating Vibrant Communities

- Ten local Government & Community Relations Managers/Liaisons active in the community
 - Serving on 73 non-profit boards statewide
 - Supporting over 200 local governments
- Dedicated internal teams serve as customer liaisons
 - Statewide community action agencies delivering energy assistance funds
 - Share the Light and Low-Income Weatherization program funding
 - Home builders (Builder Concierge Program)
 - Large power customers
- In 2021, Duke Energy Indiana was part of efforts to attract \$1.2B in capital investment and more than 3,300 jobs to Indiana
- Philanthropy still strong despite the pandemic
 - \$2.2M donated in 2021
 - Over \$700k in 2021 sponsorships
- Customer feedback reflects growing satisfaction



JD Power
Residential



Preparation for Summer 2022: Energy Efficiency and Demand Response Programs

- From 1991 through 2021, Energy Efficiency (i.e., conservation) programs achieved:
 - Approximately 480 Net MW of annual peak demand reductions (284 MW in the last 10 years)
 - Nearly 2,583,000 Net MWh annual energy reductions (1,769,000 Net MWh in the last 10 years)
- About \$100M investment in the last 3-year plan (2021-2023)
- About \$308M invested since 2009
- 2022 projected Demand Response reductions in July (UCAP):
 - Special contracts (i.e., interruptible) 202.8 MW
 - PowerShare®
 - CallOption (customer contractual commitment) 222.6 MW
 - QuoteOption (voluntary, yet compensated)* 0.7 MW
 - Power Manager – direct load control 33.6 MW
 - Total registered UCAP 459.0 MW
- New Purdue CHP is BTMG and registered with 11.2 MW UCAP

*Due to its voluntary nature, QuoteOption cannot be counted for MISO Resource Adequacy

*UCAP accounts for all MISO factors including losses, XEFORd, and PRMR as appropriate for BTMG and DR

